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BIWEEKLY REPORT

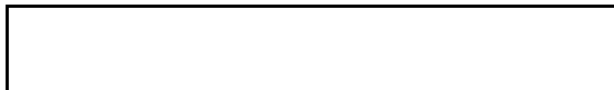
SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/108

28 March 1960

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Approved For Release 2005/08/22 : CIA-RDP92B01090R000700010108-1

Summary of Events

11 - 24 March 1960

Under an economic and technical cooperation agreement signed on 21 March, Communist China has agreed to grant \$21 million to Nepal for equipment, machinery, and technical assistance for Nepal's economic development program.

India and the USSR signed an agreement on 12 March calling for the commencement of work on a heavy machine building plant and a coal mining machinery plant to be erected with Soviet assistance. Both projects are included in the \$126 million Soviet credit extended to India in November 1956.

Implementation of Sino-Soviet Bloc aid projects in Cambodia now appears to be progressing satisfactorily. Late deliveries of materials coupled with construction delays, however, had set back completion dates for the four plant construction projects sponsored by Communist China in June 1956. The only Soviet project in Cambodia, a 500-bed hospital, is almost finished, but the problem of staffing remains unresolved.

Brazil and Poland have signed a new 5-year trade and payments agreement calling for an annual level of total trade of \$70 million. The former agreement called for a level of total trade of \$28 million.

The following Bloc economic activities took place in Cuba during the past weeks: (1) Moscow announced that a new steamship line for transporting Cuban sugar to Leningrad had been established; (2) Cuba announced that it will purchase 12 helicopters from the USSR; (3) Poland purchased 50,000 Spanish long tons* of raw sugar; and (4) Poland announced that Cuba had ordered plans for a number of industrial projects including a steel foundry and rolling mill, a plant to manufacture fireproofing materials, a carbide plant, and a glass plant.

* The Spanish long ton is the conventional unit of measure used in the international sugar market and is equal to 2,271.6 US pounds.

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Sino-Soviet Bloc financial and technical assistance for the development of petroleum resources in underdeveloped countries has assumed an important role in the Bloc's economic offensive. During the past 2 years the Bloc has consolidated its position as a major participant in the petroleum development programs of the United Arab Republic (UAR) and India and has laid the groundwork for similar activities in Latin America and Africa.

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